# Developing Regional Destination Marketing Systems

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# INTRODUCTION

Many regional and rural centres in Australia view tourism as an increasingly important area of economic opportunity (Commonwealth of Australia, 2002). With the Internet as an increasingly important source of information for travelers (Zhou, 2004), destination marketing systems have an important role in distributing this information. Destination marketing systems store and distribute information about a diverse and comprehensive range of tourism suppliers, visitor attractions, and events in a particular destination region (Crichton & Edgar, 1995; Frew & O'Connor, 1998). Tourists require a wide variety of information on geographical regions, facilities, attractions, and activities at destinations (Buhalis & Spada, 2000), which destination marketing systems collate and deliver

A destination marketing system is primarily a marketing tool for promoting tourism in a particular destination, which can be a nation, region, town, or other recognisable geographical entity (Jung & Twigeri, 1999). Web site technology is pivotal in destination marketing systems, which take advantage of all the benefits of e-commerce and Web site marketing offers. As well as these, they have the benefits of cooperative marketing, such as the pooling of resources. Originally, they were developed to cater to smaller leisure-focused suppliers, who were not benefiting from the larger centralised reservation systems and global distribution systems (O'Connor, 1999). Thus, they have a lot of potential for the Australian tourism industry, which is characterised by a large number of small businesses, and many public-sector destination marketing organizations that carry out the destination marketing. However, while larger tourism businesses have been early adopters of technology, smaller businesses have utilized a limited range of online functions (Cooperative Research Centre for Sustainable Tourism, 1999).

Where a destination marketing system differs from other technologies is that it involves the cooperation of different organisations as stakeholders. This study used an action research methodology to examine the development of a destination marketing system for a budding tourism region, and examined the stakeholder issues that emerged as obstacles to taking advantage of this technology.

# **BACKGROUND**

Despite the potential benefits of destination marketing systems, there has not been a lot of success (Buhalis & Spada, 2000). The majority of destination marketing systems have been implemented at the local level and operate on a limited basis, or collapsed a few years after their initial development (Archdale, Jones, & Stanton, 1992; Buhalis & Spada, 2000; Pringle, 1994). There has been a plethora of reports on destination marketing systems (Frew & O'Connor, 1998), with failure occurring at the planning stage as well as at the operational, with conflicts between the public and private sector, and conflicts between sales to consumers and the travel industry (Tunnard & Haines, 1999). With such problems experienced in destination marketing systems, two main streams of research have emerged: one that has sought to develop a framework for the analysis of destination marketing system reports, and another that has sought to develop appropriate approaches to successfully developing destination marketing systems.

The development of a framework for analysis has been driven by the need to have a common framework to analyze reports on destination marketing systems, such as the Norwegian Tourism Guide (Tjostheim & Aanonsen, 1997) or the Spanish National Tourism Organisation (Castelltort, Mora, Navarro, Pernas, & Zapata, 2000). Noteworthy research into a framework for analysis has been conducted by both Frew and O'Connor (1998, 1999) and Buhalis and Spada (2000).

Frew and O'Connor's research (1998, 1999) identified a number of important attributes of destination marketing systems from previous research and then surveyed experts to refine the framework to give the criteria a weighting. This framework was then applied to four cases of Austria (TIS), England, Scotland, and Ireland, and later to Australia (Daniele, Mistilis, & Ward, 2000). The analysis found that there was no consistency in attributes such as technical issues, requirements definition, or communications that caused failure—though a central challenge was addressing stakeholder issues.

Research by Buhalis and Spada (2000) developed "criteria for success" by looking at the requirements and goals of different key stakeholder groups. This was based

on the idea that partnerships and cooperation between stakeholders are needed to deliver full services to tourists, and to ensure a destination marketing system could succeed in delivering this. It was found that the dissimilar objectives and interests of stakeholders represent obstacles to destination marketing system development and implementation.

The research by Frew and O'Connor (1998, 1999) and Buhalis and Spada (2000) established the importance of stakeholder cooperation in destination marketing systems. A difficulty with the framework for analysis approach is that it is intended for use after the development of the system. However, there is yet to be research to investigate the form such relationships take, and in what manner relationships factors affect destination marketing systems.

The alternate stream of literature has sought to develop and trial different development approaches to developing destination marketing systems. This research endeavors to establish best practices to developing and implementing destination marketing systems. Some of the development approaches documented include virtual organizations (Martini, Jacucci, Cattani, & Claza, 2000), the information concept and destination management (Schucan, 1998), the integrated strategy approach (Klein & Tschanz, 1996; Tschanz & Klein, 1996, 1997), Intelligent Destination Management System© (Pollock, 1998), and Tele-cooperation and Virtual Enterprises (Laubenheimer, Carlsson, & Makinen, 1999).

A central issue from this stream of research into development approaches was of the importance of stakeholder relationships behind the technology. The Internet was viewed as enabling new forms of cooperation with destination marketing systems (Klein & Tschanz, 1996; Tschanz & Klein, 1996, 1997), while success was dependent on the relationships between stakeholders (Martini et al., 2000; Schucan, 1998). In contrast to the retrospective stance taken in developing the framework to analyze destination marketing systems, this research sought to find solutions to stakeholder cooperation problems that were actionable.

#### RESEARCH METHOD

This research sought to investigate the stakeholder cooperation issues with action research. In action research, the researcher is a participant in the implementation of a system but simultaneously wants to evaluate a certain intervention technique (Benbasat, Goldstein, & Mead, 1987). As the researcher participates in the process of change, they have two objectives: to take action to solve the problem and to contribute to a set of system development concepts (Checkland, 1981).

The strength of action research is the in-depth and first-hand understanding that the researcher obtains (Benbasat et al., 1987), while it allows both inductive and deductive research processes in a structured manner (Perry & Jensen, 2001). Thus, it allowed the research to be inductive, give the researcher first-hand experience in developing a destination marketing system, and allow for application of a development approach from the existing literature. The development approach from Tschanz and Klein (Klein & Tschanz, 1996; Tschanz & Klein, 1996, 1997) was selected as the intervention technique, as it explicitly addressed stakeholder cooperation.

It should be noted that action research has been criticized as having little objectivity and limited generalisability of findings (Benbasat et al., 1987; McKay & Marshall, 2001). The method primarily relies on the researcher's analytical techniques to develop outcomes and findings into an abstract manner, though due to the nature of the research method, there are no statistical generalizations that can be made to wider populations (Perry & Jensen, 2001). However, information systems research has been considered an applied discipline, and methods such as action research have allowed an applied orientation directed at improving practice (Keen, 1987). In the area of tourism information systems, action research has been used in projects such as those by Alford (2002), Laubenheimer et al. (1999), and Martini et al. (2000).

While there is little difference in technology available for use in destination marketing systems across the world, the social and political relations differ in contexts with different political and social structures. Thus, this research sought to investigate these relationships and how they influenced destination marketing systems in the Australian tourism industry.

# **RESULTS**

Using the development approach from Tschanz and Klein (Klein & Tschanz, 1996; Tschanz & Klein, 1996, 1997), the integrated strategy approach, a destination marketing system was developed for the Greater Dryandra region, located southeast of Perth in Western Australia. In 1997, the Dryandra Woodlands Focus Group formed with an aim to create a sustainable tourism industry in the area of Greater Dryandra, and by 2001 had secured funding from seven local government councils and a federal government grant for the employment of a tourism development officer. The tourism development officer identified the need for the development of a regional Web site to increase awareness of the tourism assets in the area, which initiated the development of the destination marketing system.

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